

20558-A
FEB 28 1997 1:25 PM

STATE OF GEORGIA

COUNTY OF TROUP

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS is made and entered into this 13th day of December, 1996 by **ALAN C. JONES** ("Borrower") for the benefit of and to be delivered to **THE CITIZENS BANK, HOGANSVILLE**, a Bank incorporated under the laws of the State of Georgia ("Lender").

WITNESSETH

WHEREAS, Borrower is the fee simple owner of a certain railroad car identified as follows:

MARK	NUMBER	AAR TYPE	YEAR BUILT
GNRR	139	B304	1979

hereinafter referred to as ("Property").

WHEREAS, Lender is the holder of a secured note and UCC-1 with respect to the property in consideration of a loan made by Lender to Borrower of even date in the amount of \$27,992.50 as evidenced by the Note from Borrower to Lender; and

WHEREAS, as further consideration of said loan, Lender has requested and Borrower has agreed to an assignment of the leases and rents with respect to the property;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein contained and the loan of \$27,992.50 as herein described (the "Indebtedness"), Borrower hereby agrees as follows:

1.

Borrower hereby sells, assigns, transfers and sets over unto Lender, it's successors and assigns, all of the leases, rents, issues and profits now due or which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or any agreement for the use or occupancy of any part of the Property, which may have heretofore or may hereafter be made or agreed to, or which may be made or agreed to by Lender under the power of attorney herein granted, it being the intention to hereby establish an absolute transfer and assignment of all such leases and rents unto the Lender.

2.

Borrower does hereby irrevocably constitute and appoint Lender as his true and lawful attorney-in-fact to collect all of said rents, issues and profits arising or accruing at any time hereafter, and all now due or that may hereafter become due under each and every lease or agreement, written or verbal, existing or to hereafter exist, with respect to the Property, and to use such measures, legal or equitable, as in Lender's discretion may be deemed necessary and proper to enforce the payment or the security of such rents, issues and profits, or to secure and maintain possession of the Property or any portion thereof and to fill any and all vacancies, and to rent, lease or let any portion of the Property to any party or parties at Lender's discretion, and Borrower does hereby grant to Lender full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Borrower and further to have the right to use and apply said issues, rents and profits to the payment of any indebtedness or liability of Borrower to the Lender, now due or to become due, or that may hereafter be contracted, and also to the

has been paid in full and satisfied.

3.

Borrower hereby directs, instructs and demands each and every person, partnership, corporation, association and other entity or organization now or hereafter owing any rents or proceeds to Borrower to pay any and all amounts so owed promptly and directly to Lender upon demand therefor by Lender. Borrower hereby represents and warrants that all payments so made shall have the same effect in satisfaction of obligations owed to Borrower as if made directly to Borrower, and Borrower shall not question or otherwise contest any such payment authorized hereby. By accepting Borrower's delivery of this Assignment, however, Lender agrees that the rents and proceeds shall be payable to and collected by Borrower until such time as Lender may demand payment thereof directly to Lender and that Lender shall not demand such payment until a default occurs under this Assignment.

4.

Promptly upon request by Lender: (a) Borrower shall deliver to Lender the original or any of the Leases and Contracts which are written; (b) Borrower shall personally notify the other party or parties to any of the Leases and Contract, whether written or oral, and whether now or hereafter made or executed, of the content and existence of this Assignment and of the agreements and obligations of Borrower with respect to payment of the rents and proceeds as set forth above; and © Borrower shall use reasonable efforts to obtain and deliver to Lender a written consent from, and agreement by, any and all such parties, and any and all parties owing any rents and proceeds to Borrower, to pay any and all rents or proceeds so owed directly to Lender, and not to Borrower, as provided for by this Assignment. Any and all notices, consents and agreements required hereunder shall be in such form and substances as Lender may approve.

5.

The occurrence of a default under the Promissory Note not cured within any applicable period permitted thereunder for the curing of such default shall constitute a default under this Agreement.

6.

Upon the occurrence of a default under this Assignment, Lender may at Lender's option and without giving any notice to Borrower, do any one or more of the following (a) exercise any and all of Lender's rights and remedies under this Assignment, the Promissory Note, or any other instrument evidencing or securing all or any part of the indebtedness; (b) take possession of the Leases and contracts; © take such measures or actions as Lender deems appropriate or necessary to enforce the payment of all rents and proceeds; (d) contest, litigate and compromise any claim for rebate, set off, loss, demand, abatement or reduction in connection with the leases or the rents; or (e) sell, lease or rent any of the Property and employ and pay a rental agent or a broker a commission to facilitate such sale, leasing or renting such commission to be added to the indebtedness. Borrower shall pay all of the costs and expenses incurred by Lender in exercising or enforcing Lender's rights hereunder. Lender may use and apply any of the rents and proceeds collected by Lender under this Assignment for the payment of the indebtedness, or toward the following purposes, in such order as Lender may determine: (a) personal property ad valorem taxes, with respect to the property; (b) premiums for insurance policies required under the Promissory Note and such other insurance policies as Lender may desire; © the costs and expenses of repairing and maintaining the Property in such a manner as Lender may desire; (d) the costs and expenses of any nature whatsoever necessary or appropriate, as determined in Lender's sole discretion and judgment, to perform completely Borrower's duties, obligations, responsibilities and liabilities under any of the Leases and in connection with or with respect to any of the rents or proceeds; (e) any and all other costs and expenses incurred by reason of Lender's exercise of its rights under this Assignment or the Promissory Note or both; (f) interest and default interest accrued on the indebtedness; and (g) the outstanding principal balance of the indebtedness. All of Lender's rights and remedies in the event of a default hereunder are cumulative of and in addition to, and not restrictive of or in lieu of, the rights and remedies of Lender under the Promissory Note, or as may be provided or allowed by law

or in equity or otherwise, and Lender may elect one or more or all of the rights and remedies available under this Assignment or otherwise.

7.

Borrower covenants that: (a) Borrower will fully and faithfully perform all of the duties and obligations of the Lessor, Landlord, or owner of the Property under the Leases and observe, satisfy and comply with all of the terms, covenants, conditions, agreements, requirements, restrictions and provisions of the Leases, and do all acts otherwise necessary to maintain and preserve the rents and proceeds, and prevent any diminishment or impairment of the value of the Leases, the rents and proceeds, or the interest of Borrower or Lender therein or thereunder, it being expressly understood and agreed that Lender neither undertakes nor assumes any of Borrower's liabilities, responsibilities, duties or obligations in connection with the Leases or the rents or the proceeds; (b) Borrower will not further assign the Leases, the rents, or the proceeds, or terminate, alter, modify or amend in any respect, or accept the surrender of, any of the Leases without the prior written consent of Lender; (c) without the prior written consent of Lender, Borrower will not permit, consent to or acquiesce in any subleasing, assignment, renewal or extension for more than thirty (30) days, in whole or in part, of or under any of the Leases; (d) Borrower will not relocate or consent to or acquiesce in the relocation of any lessee, tenant or other user or occupant of all or any part of the Property without the prior written consent of Lender (e) Borrower will not collect rents for more than one (1) month in advance; (f) Borrower will keep the Leases, rents and proceeds free from any and all liens, encumbrances and security interests whatsoever, other than the security interest created by this Assignment and the Promissory Note; and (g) Borrower will promptly pay and discharge all taxes assessed against the Leases, rents or proceeds and all liens which may attach to any of them. The foregoing covenants are cumulative of and in addition to those now or hereafter imposed by law.

8.

Lender shall not be liable to Borrower for failure to collect any part of all of the rents or proceeds, the Lender may be required to account for only such sums as Lender actually collects.

9.

Lender shall not be deemed to waive any of Lender's rights or remedies under this Assignment unless such waiver is express, in writing and signed by or on behalf of Lender. No delay, omission or forbearance by Lender in exercising any of Lender's rights or remedies under this Assignment shall operate as a waiver of such rights or remedies. A waiver in writing on one occasion shall not be construed as a waiver of any right or remedy on any future occasion. Neither the existence of this Assignment nor the exercise by Lender of Lender's right to collect any of the rents or proceeds shall be construed as a waiver by Lender of any of Lender's rights to enforce payment of the indebtedness in strict accordance with the terms and provisions of the Promissory Note.

10.

The term of this Assignment shall be until the indebtedness evidenced by the Promissory Note has been paid in full. The cancellation and satisfaction of the Promissory Note shall automatically constitute a satisfaction, cancellation and release by Lender of Borrower's obligations under this Assignment. The release of the Property from the Lien and Promissory Note shall constitute a release of Property from this Assignment.

11.

This Assignment shall be governed by, construed under and interpreted and enforced in accordance with the laws of the State of Georgia.

12.

Time is and shall be of the essence of this Assignment and of each covenant and agreement by Borrower.

13.

The word "Borrower" as used herein shall include the legal representatives, successors, and assigns of Borrower as if so specified at length throughout this Assignment, and all covenants, agreements, duties, obligations, liabilities and responsibilities of Borrower shall be binding upon and enforceable against the legal representatives, successors and assigns of Borrower. The word "Lender" as used herein shall include the transferees, successors, legal representatives and assigns of Lender as if so specified at length throughout this Assignment, and all rights of Lender under this Assignment shall inure to the benefit of the transferees, successors, legal representatives and assigns of Lender. The words "Borrower" and "Lender" shall include the neuter, masculine and feminine genders, and the singular and the plural.

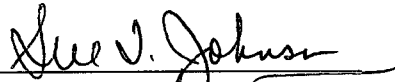
IN WITNESS WHEREOF, Borrower has caused this Assignment to be duly executed under seal, and Borrower has caused this Assignment to be delivered to Lender, all as of the day and year first written above.

BORROWER:




ALAN C. JONES

Signed, sealed and delivered in
the presence of:



Witness



Notary Public *exp 3-15-00*